

# **The Community Choices Program**

## **Report to the Massachusetts Legislature**



**The Massachusetts Executive Office of Elder Affairs**

**Jennifer Davis Carey, Secretary**

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## EXECUTIVE SUMMARY

### Introduction

The Community Choices program was designed to serve frail elderly people who otherwise are at imminent risk of nursing facility admission. After more than two years of experience, the Executive Office of Elder Affairs (Elder Affairs) is pleased to provide the following report, which outlines a profile of the consumers served by the Choices program, shows the diverse services they utilize, and demonstrates the value of the program for those it serves. The data show that the program can provide community-based services to frail elders at a significantly lower cost than nursing facility care.

### Program Description

The Community Choices program (Choices) was established as a demonstration pilot in November 2002. This program provides extensive home and community-based services and supports to frail elders who, besides being at a nursing facility (NF) level of care, exhibit additional clinical criteria including a minimum of one out of four additional indications of frailty, such as a recent serious medical event, or seeking NF care, and show at least one out of five specific clinical characteristics that demonstrate risk, such as needing 24-hour supervision, or being unable to manage their medications (see page 6). All Choices clients are initially determined eligible for the MassHealth 1915(c) Home and Community-Based Services Waiver (Waiver), which affords them the full range of benefits under MassHealth Standard, as well. They are then further screened to see if they meet the additional Choices criteria. Under Choices, these clients receive needed services that can be delivered in the community, including such things as personal care and homemaker services, skilled nursing care, companion and chore services, home delivered meals, grocery shopping/delivery, laundry, transportation and respite care, among other services that allow them to maintain their residence in a home setting and avoid or delay a nursing facility stay.

### Program Results

*Choices Clients.* As of February 2005, the Choices program was serving 1,613 clients who were an average of 80 years-old, with 31% age 85 and over. 86% are female, and most clients (57%) live alone. Minorities constitute 17% of the caseload and 8% of clients in the Choices program have a diagnosis of Alzheimer's disease. From its inception in FY03, the Choices program has helped many new Waiver-eligible elders return to the community from a nursing facility. The percentage of Choices clients who are new to the Waiver and who have chosen to leave a NF in favor of receiving care through the Choices program at home has increased from 9.9% in FY03 to 13.7% in FY05. One indication that Choices can successfully care for clients who are of greater frailty is that from FY03 to FY05, the number of clients meeting the additional Choices clinical criteria increased for eight out of the nine criteria.

*Service Utilization.* Since the addition of skilled nursing services to the Choices service menu in January 2004, 6.1% of elders are utilizing this option, and the utilization of home health aide services has grown to 17.1%, from 13.8% in FY03. 83% of clients have received personal care

in FY05 and over 42% are getting home-delivered meals. Overall utilization of specific services by Choices clients is shown below for the three years being reported.

#### **Percentage of Choices Clients Utilizing Specific Services**

<b>Waiver Services</b>	<b>FY05</b>	<b>FY04</b>	<b>FY03</b>
Personal Care	83.2%	91.2%	83.6%
Home Delivered Meals	42.7%	42.0%	43.2%
Homemaker	19.2%	17.5%	21.0%
Home Health Aide	17.1%	16.5%	13.8%
Companion Services	10.2%	10.9%	10.0%
Laundry Service	14.1%	14.0%	14.5%
Grocery Shopping and Delivery	7.8%	7.6%	6.8%
Chore Services	6.6%	6.8%	5.8%
Nursing Services	6.1%	0.4%	NA
Transportation	12.6%	12.9%	10.8%
Environmental Accessibility Adaptations	5.9%	0.6%	4.3%
Supportive Home Care Aide	5.1%	6.7%	7.9%
Respite Care	4.6%	3.9%	3.4%
Supportive Day Care	4.1%	4.0%	4.3%
Home-Based Wander Response System	3.4%	NA	NA
Transitional Assistance	0.5%	NA	NA

*Spending for Choices.* Using the average Choices service cost from July to October 2004, as an estimate of service cost for the full year of FY05, a Choices client would be expected to cost the program \$1,428.86 per month (including purchased services at \$1,153.86 per client per month, and the standard case management rate of \$275/per client per month) or \$17,147 a year in FY05. This cost has actually decreased during the more recent months of FY05 due to an influx of clients at the end of the calendar year that came into the program with a lower historic pattern of service use. Some elders served by the Choices program may be utilizing services covered by MassHealth Standard; these costs are not taken into account in this analysis.

#### **Conclusion**

Many elders would choose to stay in their homes in the community when sufficient supports can be put in place to maintain them safely in this setting. The Community Choices program supports the choice of elders to remain in the community and provides services that help them to avoid or delay a nursing facility admission. With an average level of expenditure of \$17,147 a year for clients in the Choices program, it is clear that providing community-based services to MassHealth/nursing facility eligible elders is a cost effective alternative to NF placement. Currently a nursing facility resident will cost MassHealth \$4,310 a month or \$51,720 a year. The Choices client, therefore, would cost at least \$34,573 or 67% less per year in FY05 than a client served in a NF<sup>1</sup>.

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<sup>1</sup> As mentioned above, costs associated with MassHealth Standard covered services that may be utilized by an elder on the Choices program are not taken into account in this analysis.

# The Community Choices Initiative

## Report to the Massachusetts Legislature

### I. INTRODUCTION

Massachusetts elders receive supports through a variety of home and community-based service delivery options. Among current programs geared towards providing services to elders as a means to prevent or delay NF admission are the Home Care (HC) and Enhanced Community Options (ECOP) programs, the Home and Community-Based Waiver Services Program (Waiver), and the Coordination of Care Program. These programs were designed to provide a variety of supports to elders and assistance to those whose needs can be met in the community, rather than in a nursing facility. MassHealth recipients also have access to a rich menu of community long term care services including in-home medical supports to elders who meet clinical criteria that are generally less strict than those used for nursing facilities.

In addition to these programs, Waiver clients who are at imminent risk of NF placement may receive essential community services through the Choices program. Eligible clients receive a package of services, including case management, chosen from among specific Waiver services<sup>2</sup> and the Commonwealth's Title XIX Medicaid state plan. This set of services is designed to support the elder remaining at home in order to delay or prevent an imminent nursing facility admission. Frail elders enrolled in the Waiver, after screening by staff of the local Aging Services Access Points (ASAPs), also have access to essential Medicaid state plan services such as pharmacy, home health and transportation<sup>3</sup>. In FY03, the Division of Medical Assistance (Office of Medicaid) transferred \$3.9 million to Elder Affairs under an ISA to pay for enhanced Waiver services for enrollees in the Choices demonstration through June 2003. The budget for FY04 provided \$9,200,000 in funding for Choices, while the FY05 budget provided \$9,240,000.

#### WHO DOES CHOICES SERVE?

*Mrs. T is an 82-year-old Greek woman who lives with her husband. She suffers from Alzheimer's Disease and requires constant monitoring and supervision. Mrs. T was enrolled in the Home Care program in February 2000.*

*Mr. T fell a year ago and the care of his wife has been overwhelming for him leading the family to decide that nursing home placement was necessary. A nursing home screening was conducted by the ASAP and it was determined that Mrs. T's needs could be met through the Community Choices program. The family was apprehensive, but relieved to hear Mrs. T could remain at home with supportive services.*

*Mrs. T was enrolled in Choices in November 2002 and has a service plan which consists of personal care 1.5 hours every morning and evening, homemaker 2 hours per week, and companion services 2 hours/3 times a week. The total cost of her care plan is \$2170 per month.*

<sup>2</sup> Waiver services include homemaker, personal care, supportive home care aide, home health aide, skilled nursing, companionship, respite care, laundry service, chore, home delivered meals, grocery shopping and delivery, transportation, home based wander response system, and transitional assistance.

<sup>3</sup> Title XIX Medicaid state plan services available to all participants the Choices demonstration: include but are not limited to inpatient and outpatient hospital services including ED, physician visits, ancillaries [e.g.: lab, X-Ray] pharmacy, transportation, dental, institutional care, and a full range of Community based Long Term Care services including Adult Day Health, Home Health, Private Duty Nursing, Personal Care Attendant, Group Adult Foster Care/Assisted Living, Durable Medical Equipment including personal emergency response systems (PERS), Oxygen and Respiratory services, Orthotics and Prosthetics.

## II. THE CHOICES PROGRAM

### A. Eligibility Criteria

The eligibility criteria for Choices were defined in an interagency agreement between the Division of Medical Assistance (Office of Medicaid) and Elder Affairs in November 2002. These criteria are designed to determine whether an elder enrolled in the Waiver program is at imminent risk of nursing home placement, which could be prevented or delayed with access to services offered through both the Waiver program and MassHealth.

A MassHealth member age 60 or older fits the clinical criteria for Choices if

(1) the member is enrolled in the Waiver<sup>4</sup> and:

- was actively seeking skilled nursing facility (SNF) care within the last six months; or,
- recently experienced a serious medical event, regression in physical or cognitive functional ability or a cumulative deterioration in functional ability; or,
- was discharged from a nursing facility within the last thirty days; or,
- is at risk of nursing facility admission due to the instability or lack of capacity of informal or formal supports; and,

(2) has one or more of the following clinical characteristics:

- needs 24 hour supervision because of complex health conditions; or,
- experiences a significant cognitive impairment; or,
- is unable to manage/administer prescribed medications; or,
- experiences frequent episodes of incontinence; or,
- requires daily supervision and assistance with multiple Activities of Daily Living (ADLs)<sup>5</sup>.

### B. Enrollment Process

ASAPs work with local organizations, including hospitals, visiting nurse associations, and skilled nursing facilities, to identify potential Choices enrollees. They do this through an interdisciplinary team that:

- conducts a needs assessment;
- determines eligibility;
- works with the client and his/her family members to determine a service package that includes both Waiver and Medicaid State Plan services (community long term care services);
- coordinates all services, including communicating with State Plan providers serving the client to inform them of their status as a Community Choices case, and requesting that any change in the scope or duration of State Plan services be communicated to the ASAP;

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<sup>4</sup> In order to participate in the Waiver program, a MassHealth member must meet clinical eligibility criteria for nursing facility services as outlined in the DMA regulations: 130 CMR 456.409 as well as the age, functional impairment level and unmet need criteria for the Home Care program.

<sup>5</sup> Activities of Daily Living (ADLs) are defined as tasks, including the ability to bathe, dress/undress, eat, toilet, transfer in and out of bed or chair, get around inside the home, and manage incontinence, which are used to measure the Functional Impairment Level (FIL) of an applicant or client.

- conducts on-going interdisciplinary case management activities, including in-home reassessment home visits at least once every three months or as needed;
- conducts a reassessment of the status of the client at every home visit or other contact with the case manager or nurse, including any changes in his/her status, eligibility for the Choices program and need for services provided;
- if, upon reassessment, it is determined that a Choices client no longer meets the eligibility criteria for the program due to an improvement in his/her condition, the ASAP determines the suitability of placement in a more appropriate Waiver program, such as Home Care or ECOP, or other community option.

In November 2004, although the eligibility criteria have remained unchanged for the Choices program, Elder Affairs recognized inconsistencies existed in the enrollment process across the ASAP network. In an attempt to eliminate these variations, Elder Affairs clarified for the ASAPs the process for identifying and enrolling clients into the Choices program. As described later in this report, this programmatic clarification has resulted in a significant increase in the monthly caseload of the program from November 2004 through February 2005.

### C. Service Provision

With Community Choices, frail elders can receive an array of home and community-based services. A package may include any or all of the Waiver services: interdisciplinary case management, homemaker, personal care, respite care, supportive home care aide, companionship, home health aides, environmental accessibility adaptations, chore services, grocery shopping/delivery services, home-delivered meals, laundry services, supportive day care programs, transportation, skilled nursing services, home based wander response system, and transitional assistance. Choices clients also have access to Title XIX state plan services such as adult day health and home health services available to MassHealth members.

#### WHO DOES CHOICES SERVE?

*Elizabeth is an 80-year old Holocaust survivor who has been a Choices consumer for two years. Her only family is her mentally challenged adult son. Elizabeth is hearing impaired, suffers from congestive heart failure, diabetes, arthritis, hypothyroidism, and manic depression.*

*During her time with the Choices program, Elizabeth fractured her leg and spent five months at a rehabilitation facility. Upon discharge from rehabilitation, Choices provided 12 hours of personal care to assist her with bathing and to provide homemaking services to ensure a safe and clean environment. A companion took Elizabeth grocery shopping once a week and to her medical appointments as needed.*

*Elizabeth was later hospitalized for a left shoulder replacement and spent two months in a rehabilitation facility where long-term nursing facility placement was encouraged. Elizabeth and her Choices case manager advocated for a discharge to her home. The Choices program has provided additional personal care hours, daily home delivered meals, and a referral for money management services, while allowing Elizabeth to remain at home in a safe and healthy environment.*



### III. PROGRAM STATISTICS

#### A. Demographics

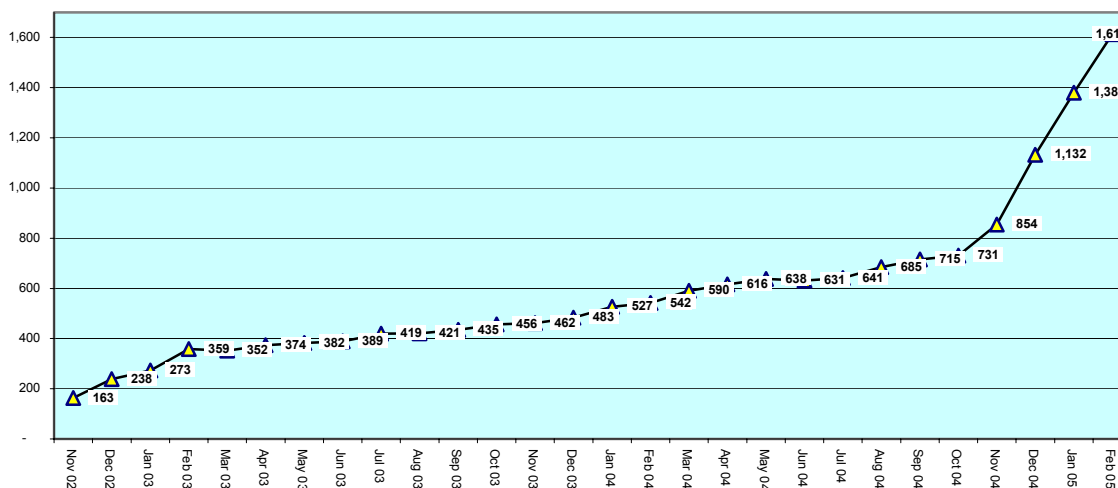
The Community Choices program is available to elders throughout the Commonwealth and services are provided by all 27 Aging Service Access Points (ASAPs.) Based on ASAP monthly program statistics, the Choices program served 1,613 clients in February 2005. Of the clients served, 99% had critical unmet needs<sup>6</sup>; 31% were Functional Impairment Level 1 (FIL 1) clients; that is, they were impaired in at least four ADLs, including bathing, dressing, eating, toileting, managing incontinence, transferring, and mobility. 51% were FIL 2 clients; that is, they had deficits with 2 or 3 ADLs. By definition, all Choices clients are eligible for a nursing home admission, but have chosen to stay in the community.

According to the ASAP annual count conducted on June 30, 2004, the average age of a Choices client was 80 years old. Nearly one-third of the clients (31%) were age 85 and over. The majority of clients were female (86%), while males made up only 13% of the caseload. Half of the clients served were widows (50%); 19% married; 16% single; 13% divorced; and 2% were separated. The majority of Choices clients (57%) lived alone. About one-fourth (24%) lived in subsidized elder housing; 22% lived in buildings managed by the Housing Authority. Minorities constituted 17% of the Choices caseload. 8% of clients had Alzheimer's.

#### B. Monthly Caseload

The number of Community Choices clients has grown steadily from the implementation of the program in November 2002 until October 2004. As previously explained in Section II of this report, the program has experienced a rapid increase in clients transferred from the Home Care program and ECOP, from November 2004 through February 2005.

**Community Choices Program Caseload: November 2002 – February 2005**



<sup>6</sup> Critical unmet needs are defined as a client's unmet needs which include one or more of the following: any Activity of Daily Living (ADL), meal preparation, food shopping, transportation for medical treatments, respite care and home health services.

### C. Choices Eligibility Criteria

The eligibility criteria for the Choices Program are designed to determine whether an elder being served by the Waiver is at imminent risk of nursing home placement, which can be prevented or delayed with access to necessary Waiver services provided in the home or community. The following table lists the percentage of Medicaid Waiver clients who met each category of the eligibility criteria from November 2002 to January 2005.

Among those criteria, the leading reasons behind entry into the Choices program are requiring daily assistance with multiple Activities of Daily Living (ADLs), at risk of NF admission, inability to manage medications, and frequent episodes of incontinence.

Choices Eligibility Criteria	% Met
1. Actively seeking skilled nursing facility (SNF) care within the last six months	6%
2. Recently experienced a serious medical event, regression in physical or cognitive functional ability or a cumulative deterioration in functional ability	55%
3. Discharged from a nursing facility within the last thirty days	12%
4. At risk of nursing facility admission due to the instability or lack of capacity of informal or formal supports	88%
5. Needs 24 hour supervision because of complex health conditions	51%
6. Experiences a significant cognitive impairment	38%
7. Unable to manage/administer prescribed medications	72%
8. Experiences frequent episodes of incontinence	63%
9. Requires daily supervision and assistance with multiple Activities of Daily Living (ADLs)	94%

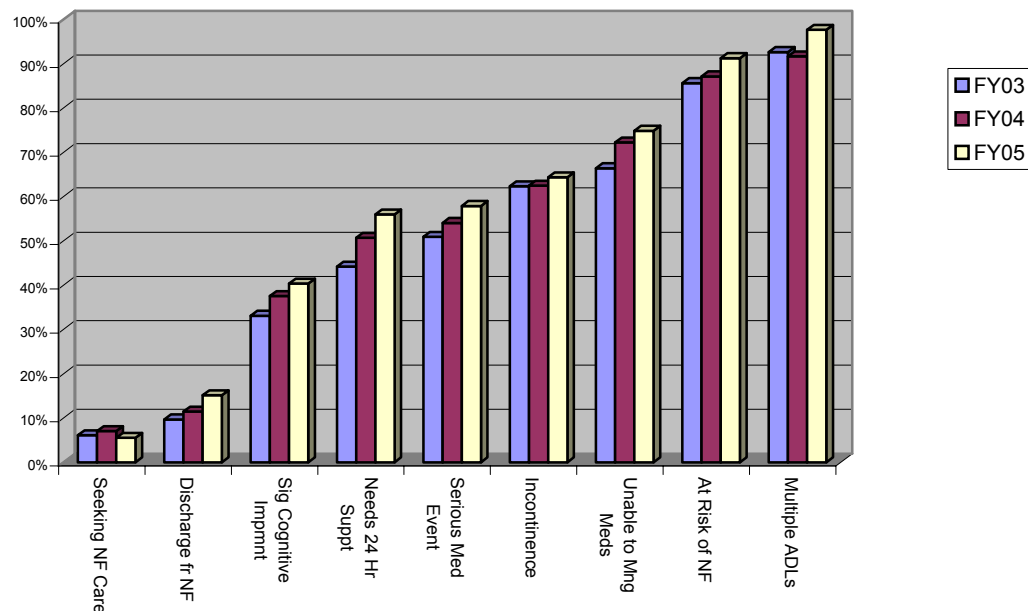
#### WHO DOES CHOICES SERVE?

*Ms S. is an 84-year old widowed woman living alone, with no informal supports. She was recently discharged home from a skilled nursing facility, in which she was receiving rehabilitation for a fractured hip. As a result of the hip fracture and other medical conditions, she required assistance with meal preparation, housework, laundry, grocery shopping, transportation, medication assistance, bathing, and dressing. To return home the client required the following Choices service plan: adaptive equipment; noon, evening and weekend home delivered meals; homemaker 6 hours weekly; a personal care worker 1 hour daily in the evening and 1 hour/3 times weekly in the morning; and transportation. The cost of this service plan is \$1,500.00. Ms. S. also receives the following services through Medicare: nursing 1 time weekly, home health aide 1 hour 2 days weekly, physical therapy 2 times weekly and occupational therapy 2 times weekly as well as a personal emergency response (PERS) unit.*

*The elder was discharged home with the above services in place. She is currently residing safely in her own home and maintaining her independence as a result of the services she receives.*

The graph below demonstrates that from FY03 to FY05, more clients have met eight out of the nine program eligibility criteria. For example, the percentage of clients who “Need 24 hour supervision” increased from 44% in FY03 to 56% in FY05. The percentage of clients who “Experience a significant cognitive impairment” increased from 33% in FY03 to 40% in FY05. The percentage of clients who are “Unable to manage medications” increased from 66% in FY03 to 75% in FY05. These increases demonstrate the increasing frailty of clients being served in the Choices program.

**Clinical Criteria Met at Enrollment to Choices Program:  
November 2002 to January 2005**



As previously stated, from October 2004 through February 2005, the Choices Program has experienced a significant increase in clients coming into the program who were already being served in the community through the Home Care and ECOP programs. As a result, the percentage of clients entering the program following a discharge from a nursing facility has decreased by only 5% during this period. In addition, the percentage of Choices clients who need 24 hour supervision, have cognitive impairment, experienced a serious medical event, have frequent episodes of incontinence, and are unable to manage medications has slightly decreased. The expectation is that in the short term, the expenditures from these clients will be less than the average Choices clients' expenditures based upon their historical service plans in each respective program. However, given the aggregate data for FY05 which points to the overall frailty of clients served based upon the clinical criteria met at enrollment, it is expected that the long term expenditures for these clients will increase as their service needs increase while participating in the Choices program.

#### **D. Status of Clients Prior to Enrollment in Choices**

ASAPs capture the status of clients upon enrollment into the Choices program. From FY03 to FY04, the percentage of clients who were new to the Waiver at enrollment increased from 25% in November 2002 to 61% in June 2004. Since FY05 the percentage of clients enrolling

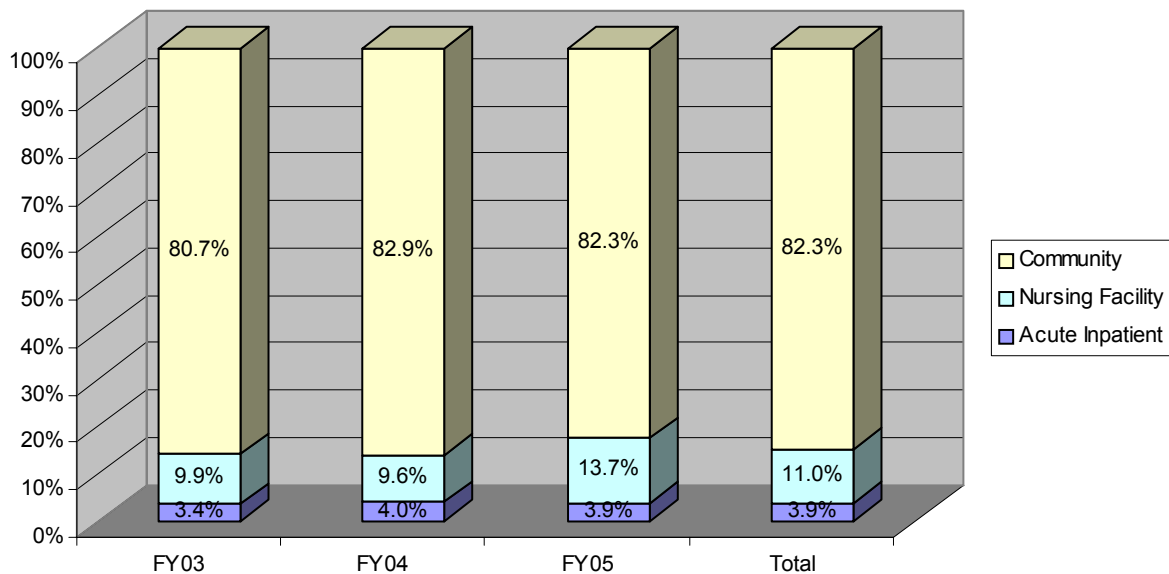
in Choices who are new to the Waiver has decreased to 25% in January 2005 as frail Waiver clients in the Home Care and ECOP programs, at imminent risk of NF placement, were appropriately identified for participation in the Choices program.

Among those Choices clients new to the Waiver, the majority (82%) were individuals living in the community and not previously receiving Waiver services. In total, eleven percent of the Choices clients new to the Waiver were transferred from a nursing facility; 4% were initiated following an inpatient hospitalization; and 3% originated from other places (i.e., another state home facility).

From November 2002 to January 2005, the Choices program assisted 6,588 elders who were new to the Waiver to remain in the community. Among them, 5,425 elders were referred from the community; 733 elders returned to the community from a nursing facility stay, and 256 elders returned to the community following an inpatient hospitalization. On average, the Choices program has provided essential services to 237 elders per month over a three-year period, who were new to the Waiver and at imminent risk of NF placement, allowing them the choice to remain living in their homes or in the community.

From FY03 to FY05, the Choices Program has helped many new Waiver-eligible elders return to the community from a nursing facility. The percentage of Choices clients who are new to the Waiver and have chosen this option has increased from 9.9% in FY03 to 13.7% in FY05.

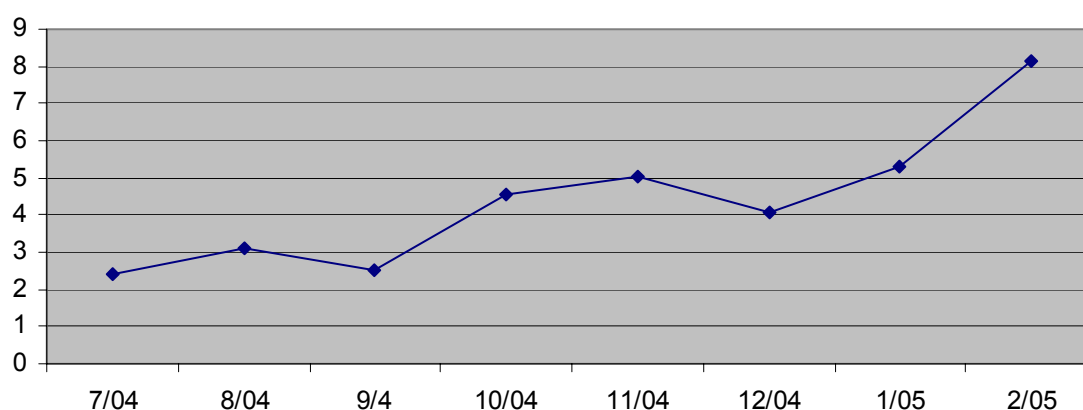
**Pre-Choices Status if New to the Waiver  
November 2002 - January 2005**



### E. Average Length of Stay in Choices Program

The Choices program is relatively new and continues to serve many new and active clients. Based on the FY04 ASAP Annual Report, the average length of stay for active clients is 6 months. Based on the partial year FY05 program statistics to date, the average length of stay for the clients discharged is 5 months. However, the length of stay increased from two months in July 2004 to eight months in February 2005. The trend shows the average length of stay is increasing and is expected to continue to increase as clients in the community are identified for Choices earlier and stabilized with essential supports allowing them to continue to live in the community while subsequently delaying entry into nursing facilities. This trend will result in an average length of stay similar to the Home Care and ECOP programs, which is 1.2 years and 1.3 years, respectively, in FY05.

**Length of Stay (in Months) for Choices Clients, FY05**



### F. Discharges from the Choices Program

ASAPs track and report the reasons for discharge from the Choices program on a monthly basis. These include: acute hospital admission, NF admission – short-term [<90days], NF admission – long-term [>90days], services refused, moved out of state, transition from Waiver to other state plan services, death and condition improved. Between November 2002 and December 2004, 565 individuals were discharged from the Choices program.

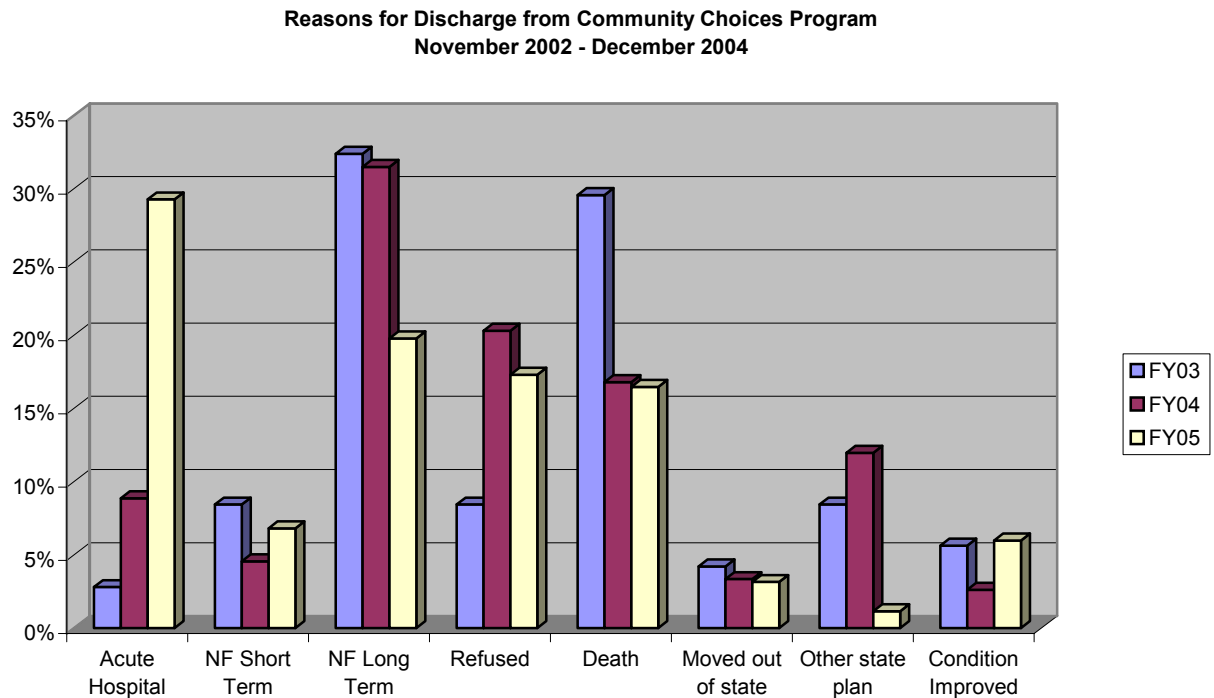
Choices data show that reasons for discharge vary by year. In FY03 and FY04, transition to a nursing facility [long-term stay] is the leading reason for discharge from the Choices program accounting for 32% of total discharges. In FY05, transition to an acute hospital is the leading reason, which accounts for 29% of total discharges. Death was the second most common reason

#### WHO DOES CHOICES SERVE?

*Susan is a 78 year old widow with a limited informal support system. She is highly impaired functionally and is in need of substantial assistance with multiple ADLs to remain living in the community. Susan is legally blind and also suffers from osteoarthritis, anxiety, hypertension, peripheral edema and renal failure. She has been enrolled in Community Choices since November of 2002.*

*Her current service package, which costs \$995/month, includes 10 hours per week of personal care services for assistance with bathing, dressing, laundry, and grocery shopping. Susan also receives daily home delivered meals and weekly companion visits for socialization and emotional support. She continues to remain living safely in her own apartment with the services that are available to her as a Community Choices client.*

for discharge from Choices in FY03, accounting for 30% of the discharges. In FY04, refusing to receive Choices services was the second most common reason, accounting for 20% of the discharges. In FY05, nursing facility long-term stay, although the second most common reason accounting for 19% of the discharges, was the lowest level for this discharge reason over the three year period.



#### IV. SERVICE COST AND UTILIZATION

##### A. Waiver Services Delivered to Community Choices Clients

Waiver services delivered to Community Choices clients include personal care, homemaker, home delivered meals, home health aide, companion services, laundry service, grocery shopping and delivery, chore services, skilled nursing services, transportation, environmental accessibility adaptations, supportive home care aide, respite, supportive day care, home-based wander response system and transitional assistance. Skilled nursing services, home-based wander response system, and transitional assistance are three relatively new Waiver services added to the service package in January 2004.

The Choices service data show that 83% of clients received personal care services; 43% home delivered meals, 19% homemaker services; 17% home health aide; 14% laundry services; 13% transportation services; 10% companion services; 8% grocery shopping and delivery services; 7% chore services; 6% skilled nursing services; 6% environmental accessibility adaptations; 5% supportive home care aide; 5% respite care; 4% supportive day care; and 3% home-based wander response system in FY05.

Looking at the trend for FY03 to FY05, there was a spike in FY04 in utilization of personal care services for more than 90% of the clients with a subsequent decrease to 83% in FY05. One reason for this decrease since FY04 could be due to a gradual increase in utilization of home health aide services as well as the introduction and utilization of a new Waiver service, skilled nursing services, in January 2004. Both of these services are provided to elders with chronic, complex health conditions; therefore the increased utilization of these two services may offset a decrease in personal care services, which are provided to elders with less complex medical conditions.

**Percentage of Choices Clients Utilizing Specific Services**

<b>Waiver Services</b>	<b>FY05</b>	<b>FY04</b>	<b>FY03</b>
Personal Care	83.2%	91.2%	83.6%
Home Delivered Meals	42.7%	42.0%	43.2%
Homemaker	19.2%	17.5%	21.0%
Home Health Aide	17.1%	16.5%	13.8%
Companion Services	10.2%	10.9%	10.0%
Laundry Service	14.1%	14.0%	14.5%
Grocery Shopping and Delivery	7.8%	7.6%	6.8%
Chore Services	6.6%	6.8%	5.8%
Skilled Nursing Services	6.1%	0.4%	0.0%
Transportation	12.6%	12.9%	10.8%
Environmental Accessibility Adaptations	5.9%	0.6%	4.3%
Supportive Home Care Aide	5.1%	6.7%	7.9%
Respite Care	4.6%	3.9%	3.4%
Supportive Day Care	4.1%	4.0%	4.3%
Home-Based Wander Response System	3.4%	-	-
Transitional Assistance	0.5%	-	-

**B. Service Unit per Client, FY05**

The following grid indicates for each of the services utilized by clients in FY05 (July 2004 – January 2005), the average number of units provided on a monthly basis to clients receiving those services.

<b>Waiver Service</b>	<b>Average number of units per month</b>
Personal Care	45 hours
Home Delivered Meals	24 meals
Homemaker	25 hours
Home Health Aide	33 hours
Companion	15 hours
Laundry	6 pounds or 4 bags
Grocery Shopping and Delivery	1.4 jobs
Chore Services	5 hours
Skilled Nursing Services	1-2 visits
Transportation	10 miles or 6 one-way trips
Environmental Accessibility Adaptations	1 job
Supportive Home Care Aide	9 hours
Respite Care	4 days
Supportive Day Care	3 days

The previously mentioned influx of Home Care and ECOP clients into the Choices program from November 2004 through January 2005 resulted in changes in service utilization during this time frame as compared to the previous four months of FY05. Some examples of decreased service utilization were personal care services (a decrease from 48.0 hours/month to 42.3 hours/month) and homemaker services (a decrease from 27.3 hours/month to 22.8 hours/month). The program also experienced increases in utilization of supportive home care aide services (an increase from 6.0 hours/month to 14 hours/month) and home health aide services (an increase from 31.0 hours/month to 34.8 hours/month). These changes resulted in a change in service patterns that in general were less costly on average for the specific time period of November 2004 through January 2005.

**C. Changes in Service Utilization, FY03-FY05**

Since the addition of skilled nursing services in January 2004, Choices clients received an average of 1.4 visits/month in FY05 (July 2004 to January 2005). Although there were slight increases in service utilization of personal care services and homemaker services in FY04, the utilization of both these services has remained relatively stable. There has been an increase in utilization of both companion and home health aide services from FY03 – FY05, but a decrease in the usage of supportive home care aides.

**Average Service Unit per Client per Month**

<b>Waiver Service</b>	<b>Unit</b>	<b>FY05</b>	<b>FY04</b>	<b>FY03</b>
Personal Care	Hour	45.1	47.8	45.0
Home Delivered Meals	Meal	23.9	23.7	21.4
Homemaker	Hour	24.8	28.8	23.0
Home Health Aide	Hour	32.7	29.2	29.2
Companion Services	Hour	15.0	10.0	10.4
Laundry Service (bag)	Bag	4.3	3.1	2.9
Laundry Service (pound)	Pound	6.0	1.1	2.1
Grocery Shopping Delivery	Job	1.4	1.3	2.0
Chore Services	Hour	4.5	4.9	2.7
Skilled Nursing Services	Visit	1.4	-	-
Transportation (one way)	One Way	5.9	7.3	11.8
Transportation (mile)	Mile	10.1	10.4	11.5
Environmental Accessibility Adaptations	Job	0.7	3.5	0.4
Supportive Home Care Aide	Hour	9.1	21.9	21.4
Respite Care	Day	3.5	4.6	3.1
Supportive Day Care	Day	3.0	3.7	3.3

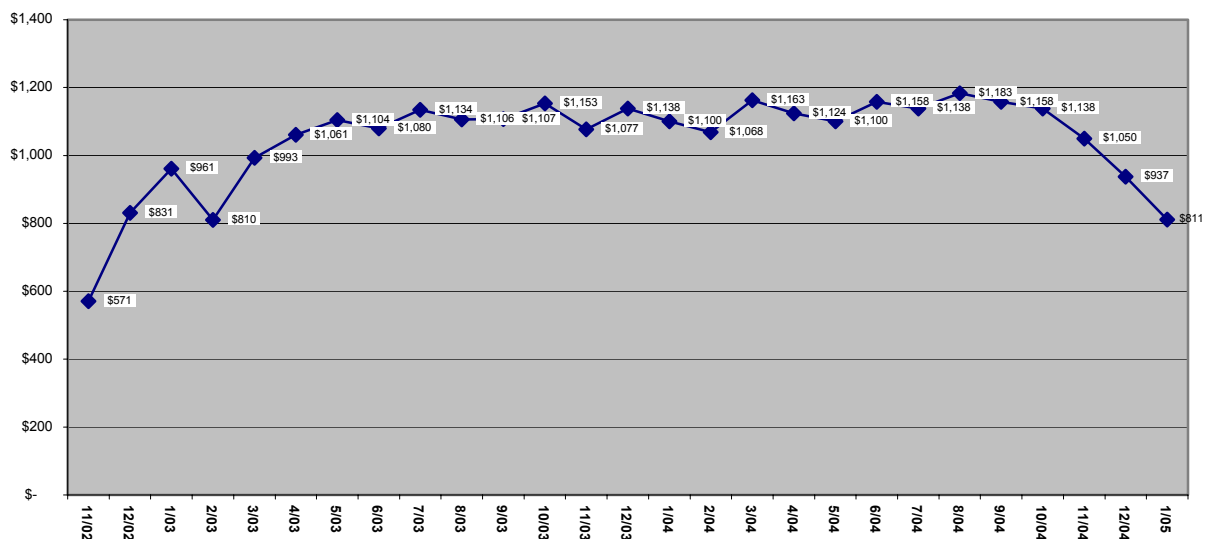
**D. Service Cost**

In FY05, the average service cost per Choices client per month is \$1,022.49 and case management cost per client per month (PCPM) is \$275.00. The total cost per client is \$1,297.49; the annual cost per client is \$15,569.88.



During FY03, the average service cost per client per month increased from \$571 in November 2002 to \$1,080 in June 2003 resulting in an average FY03 service cost of \$961.32. In FY04, the service cost per client was very stable, with an average service cost PCPM of \$1,119.66, up 16.5% from FY03. The average service cost in FY05 is \$1,022.49, an 8.7% decrease from FY04. The reason that the average service cost per client decreased is believed to be a result of the November 2004 clarification of enrollment procedures. From July to October, the average service cost PCPM was \$1,153.86, very close to the average service cost in FY04. From November 2004 to January 2005, the average service cost PCPM decreased to \$914.11, a 20.8% decrease comparing to the average from July to October 2004. Although the same clinical profile existed for the new Choices clients, because their service needs were historically less, the expenditures for this newer population decreased the overall average service cost per client per month.

**Service Cost per Client, November 2002 - January 2005**



#### **E. Nursing Facility Expenditure and Utilization**

According to AARP's Profile of Long-Term Care for Massachusetts published in December 2004, there were 46,993 nursing facility residents (all ages) in 2003. Massachusetts is ranked 8<sup>th</sup> among the 51 states, even though the number of nursing facility residents has decreased 9.8% from 1998 to 2003. Among nursing facility residents, 68.4% were primarily paid by Medicaid (ranked 19<sup>th</sup> among states) and 11.6% paid by Medicare (ranked 22<sup>nd</sup>). The nursing facility occupancy rate was 89.8% (ranked 13<sup>th</sup>). Nursing facility beds per 1,000 age 65 and over was 61 (ranked 16<sup>th</sup>). About 6% of elders age 65 and over were in a nursing facility (ranked 10<sup>th</sup>).

The Medicaid census conducted on January 1, 2005 is more updated, but has similar results to AARP's profile. The number of licensed beds was 49,690. The occupancy rate was 91%. Sixty-nine percent of NF residents were paid by MassHealth; 14% by Medicare; and 15% by private insurance. Ninety percent were age 65 and over. Nursing facility days paid by

MassHealth had steadily declined by 14% from FY00 to FY04. The percentage of high and moderate need of NF residents slightly increased from 80% in FY99 to 83% in FY04.

Although nursing facility utilization has declined by 14% in the past four years, the decline has slowed. The number of nursing facility residents age 65 and over slightly decreased from 30,621 in FY04 to 30,566 in FY05 (first six months). The expansion of Community Choices is one of the options, which can prevent or delay nursing facility stays. In addition, the Executive Office of Elder Affairs and the Office of Disabilities and Community Services has established the Community First Policy that includes a series of initiatives to ensure that elders and people with disabilities can receive necessary long-term supports in the community<sup>7</sup>.

#### **F. Comparison of Choices Expenditures to Nursing Facility Expenditures**

According to the AARP's report, nursing facility spending per capita in 2003 was \$235 (ranked 8<sup>th</sup>), much higher than the home & community based spending per capita (\$153, ranked 11<sup>th</sup>). On the average, Medicaid reimbursement per day for nursing facility care in 2002 was \$141 (ranked 7<sup>th</sup>). Medicare reimbursement per day for nursing facility care was \$285 (ranked 12<sup>th</sup>). If it is paid privately, the rate per day in a nursing facility in an urban area was \$233 in 2003 (ranked 4<sup>th</sup>). From 1998 to 2003, Medicaid nursing facility spending had increased 13.8% (ranked 44<sup>th</sup>).

Even though nursing facility utilization is declining, nursing facility expenditures continues to increase. In FY03, nursing facility expenditures per MassHealth member per month (PMPM) was \$3,679. In FY04 nursing facility PMPM was \$4,161, up 13.1% from FY03. The average NF expense PMPM in FY05 is \$4,310<sup>8</sup>, up 3.6% from FY04, 17.2% from FY03.

Based on the average expenditure, we can see that a Choices client will spend \$1,297.49 (\$1,022.49 in purchased services plus \$275.00 in case management) a month or \$15,570 a year in FY05, while a nursing facility resident will cost MassHealth \$4,310 a month or \$51,720 a year. A Choices client, therefore, will cost \$36,150 less in FY05 than a client served in a NF, with the average expense for a Choices client at only 30% of the expense for a NF resident. Even when we compare average cost per Choices client for the period of July to October 04, the Choices client would cost \$34,573 less per year than a NF resident, with the average expense for a Choices client being 33% of the expense for a NF resident (i.e., if the July to October data were extrapolated, a Choices client would have spent \$1,428.86 (\$1,153.86 in purchased services plus \$275.00 in case management) a month or \$17,147 a year in FY05.)

Both estimates have shown that the Community Choices program is much more cost efficient than nursing facility placement. The Choices program provides Medicaid Waiver services to elders who are nursing facility eligible, allowing them to stay in the community, and

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<sup>7</sup> The Community First Initiative includes the development of a Medicaid 1115 Waiver to promote the expansion of Medicaid eligibility for the disabled and the over-65 population. The goal of Community First is to provide wider community-based service and support options in an effort to avoid or delay nursing facility admission for these populations.

<sup>8</sup> Elder Affairs, Nursing Facility Management Report.

providing services to them at a significantly reduced level of cost. The program also provides an option for delivering services to nursing facility eligible clients in the community which contributes to our ability to reduce the average monthly caseload receiving MassHealth-paid nursing facility services.

## Conclusion

Many elders would choose to stay in their homes in the community if sufficient supports are put in place to maintain them safely in this setting. The Community Choices program supports the choice of elders to remain in the community and provides services that help them to avoid or delay a nursing facility admission. With an average level of expenditure of \$17,147, for the partial year FY 05, for clients in the Choices program, it is clear that providing community-based services to MassHealth/nursing facility eligible elders is a cost effective alternative to NF placement. Currently a nursing facility resident will cost MassHealth \$4,310 a month or \$51,720 a year. The Choices client, therefore, would cost at least \$34,573 or 67% less per year in FY05 than a client served in a nursing facility. Given that the Choices program has been operating for less than three full years, further analysis and evaluation are necessary. However, this initial data supports the belief that extending Waiver and other critical community-based support services enables elders to avoid or delay a nursing facility stay.

### WHO DOES CHOICES SERVE?

*Marie is a 68 year old widowed female who lives with her mentally ill son. She has been on Choices since 2002. Marie's medical history includes severe rheumatoid arthritis, high blood pressure, several strokes, high cholesterol, and anxiety. As Marie is unable to walk, she uses a motorized wheelchair for all activities, and needs assistance to stand when transferring. Marie is unable to cook for herself, nor can she open food containers due to her arthritis. She requires a chair car with a wheelchair lift for transporting her to medical appointments.*

*Choices has been the essential component in sustaining this client at home by providing twice daily assistance with all of her ADLs, including bathing, grooming, dressing, meal preparation, house cleaning, and medication reminders. She also receives transportation services. Through Choices, her case manager is able to offer extensive monitoring, support and guidance to this client. Marie's service plan costs \$1335 per month.*

### Data Sources for this Report

Five data sources are available for the study of the Choices program:

1. Community Choices Client Tracking Report submitted to Elder Affairs by the 27 ASAPs since FY03.  
This report includes individual client data (i.e., name, social security number, enrollment/assessment information, clinical criteria, service data, case management, suspension/discharge information) and ASAP reimbursement data (i.e., case management/service reimbursement amount, number of reimbursable clients, and number of new/suspended/discharged clients).
2. Community Choices Monthly Report generated by Home Care Management Information System (HOMIS) and submitted to Elder Affairs by the 27 ASAPs in FY05.  
This report includes aggregate program data compiled by individual ASAPs. The information includes number of Community Choices clients, number of new clients, functional impairment level, unmet critical needs, length of stay, minority clients, referral sources, program transfer, and reasons for being discontinued from the program.
3. Community Choices Monthly Expenditure Report generated by HOMIS and submitted by ASAPs in FY05.  
This report provides information on the number of clients receiving a Waiver service, service units, and service expenditures.
4. Community Choices Annual Report generated by HOMIS and submitted by ASAPs in July 2004.  
This report provides the demographic information of Choices clients in FY04. The report is submitted once a year. The demographic information includes age, sex, marital status, living situation, minority status, housing, income, and length of stay in the Choices program.
5. MassHealth MMIS Claims Data.  
These data include person level records detailing MassHealth eligibility data and paid claims data for all Medicaid Waiver services. In addition, Medicaid state plan services utilized by participants in the Choices demonstration by service type, date of service and provider are also included. MassHealth providers have a maximum of 90 days from date of service from which to submit a bill for payment. Claims' processing generally requires 30 to 45 days for completion, though some services require much longer periods for reconciliation. Also, as payer of last resort, MassHealth is dependent upon receipt of complete benefit information from other payers (e.g., Medicare) before payment of the MassHealth portion of a bill. It can take up to 18 months for claims payment records to be completed for some MassHealth members who have other insurance. The services most affected by the claims payment lag due to third party liability are inpatient hospitalization, physician, outpatient acute – including ED, nursing facility and cross-over (Medicare co-pays and deductibles for some dually eligible members).

Three data sources are available for the study of nursing facility expenditures:

1. AARP, Across the States - Profiles of Long-Term Care: Massachusetts, 2004. By Mary Jo Gibson, Steven R. Gregory, Ari N. Houser, Wendy Fox-Grage, published on December 2004.  
This profile includes demographics, need for long-term care, home & community-based services, home & community-based resources, nursing facility services, nursing facility resources, long-term care financing, and trends.
2. Elder Affairs, Nursing Facility Management Report.  
This report provides the information on nursing facility per member per month (PMPM) expense. The data include only direct payments to nursing facilities, not including payments to other vendors for MassHealth residents in nursing facilities, such as subscription medications, Medicare crossover payments.
3. “Understanding the Massachusetts Nursing Facility Industry,” prepared by Assistant Secretary Gerry Morrissey, Health and Human Services, March 2, 2005.  
Included are industry profile, age of nursing facility residents, nursing facility expenditure, NF caseload, NF days paid by MassHealth, etc.

### Waiver Service Definitions

**Chore:** activities related to assisting a client to maintain his/her home, and/or to correct or prevent environmental defects that may be hazardous to a client's health and safety. Chore Services shall not be utilized to perform activities that are the responsibility of housing authorities or landlords under state sanitary codes, state and local building codes, or other housing laws and lease arrangements. Light Chore includes vacuuming, dusting, dry mopping, and cleaning bathrooms and kitchens. Heavy Chore includes moving furniture to vacuum, washing floors and walls, defrosting freezers, cleaning ovens, cleaning attics and basements to remove fire and health hazards, woodcutting, changing storm windows, yard work, and snow shoveling. Heavy Chore also includes minor home repairs such as replacing windowpanes, replacing door and window locks, installing handrails and safety rails, minor repairs to stairs or floors, and weatherization.

**Companion:** non-medical care, supervision and socialization, provided to a functionally impaired adult. Companions may assist or supervise the individual with such tasks as meal preparation, laundry and shopping, but do not perform these activities as discrete services. Providers may also perform light housekeeping tasks which are incidental to the care and supervision of the individual. This service is provided in accordance with a therapeutic goal in the plan of care, and is not purely diversional in nature.

**Environmental Accessibility Adaptations (Adaptive Housing Services):** services related to the provision of minor housing adaptations, minor home modifications, or adaptive equipment for clients who require this service in order to remain safe and independent in the community. Also, those physical adaptations to the home, required by the individual's plan of care, which are necessary to ensure the health, welfare and safety of the individual, or which enable the individual to function with greater independence in the home, and without which, the individual would require institutionalization. Such adaptations may include the installation of ramps and grab-bars, widening of doorways, modification of bathroom facilities, or installation of specialized electric and plumbing systems which are necessary for the welfare of the individual. Excluded are those adaptations or improvements to the home, which are of general utility, and are not of direct medical or remedial benefit to the individual, such as carpeting, roof repair, central air conditioning etc. Adaptations which add to the total square footage of the home are excluded from this benefit. All services shall be provided in accordance with applicable State or local building codes.

**Grocery Shopping and Delivery:** includes obtaining the grocery order, shopping, delivering the groceries, and assisting with storage as needed.

**Home Based Wandering Response System:** a communications alerting system for clients that wander. A lightweight, waterproof, hypoallergenic, tamperproof appliance, which sends radio frequency signals to a base unit worn by the client. The caregiver sets a delay and range setting creating a "safe zone" for the client to ambulate within. The base unit activates an alarm that alerts caregivers in the home, as well as a monitoring station when the client leaves the "safe

zone”. The monitoring station is staffed 24 hours per day, seven days a week by trained attendants who receive and process the emergency call and ensure the timely notification of the appropriate individuals and/or emergency services to assist the person who has wandered away from the “safe zone”. The service includes: in-home communications appliance and base unit; computerized emergency response center staffed 24 hours per day; and maintenance of current data files at the monitoring station containing personal, medical and emergency information for each client.

**Home Delivered Meals:** provide well-balanced meals to clients to maintain optimal nutritional and health status. Each meal must comply with the Executive Office of Elder Affairs' Nutrition Standards, and be religiously and ethnically appropriate to the extent feasible. Home Delivered Meals service includes the preparation, packaging and delivery of meals by trained and supervised staff. More than one meal may be delivered each day provided that proper storage is available in the home.

**Home Health Aide (HHA):** HHA services are provided to elders that have chronic, complex health conditions that require ongoing services in addition to the intermittent, short-term HHA services under the state plan. Services provided under the supervision of a RN, or a physical, speech or occupational therapist. This includes personal care; simple dressing changes that do not require the skills of an RN; assistance with medications that are ordinarily self-administered and that do not require the skills of an RN or licensed nurse; activities that support the skilled therapies; and routine care of prosthetic and orthotic devices.

**Homemaker:** assistance with shopping, menu planning, meal preparation, laundry, and light housekeeping including but not limited to vacuuming, dusting, dry mopping, dish washing, cleaning the kitchen and bathroom, and changing beds.

**Laundry:** includes pickup, washing, drying, folding, wrapping, and returning of laundry.

**Personal Care:** assistance with bathing, dressing, shampoo/hair combing, foot care (excluding nail cutting), denture care, shaving, bedpan routines, eating, ambulating and transfers. This service also includes assistance with: shopping, menu planning, meal preparation, laundry, and light housekeeping including but not limited to vacuuming, dusting, dry mopping, dish washing, cleaning the kitchen and bathroom, and changing beds.

**Respite Care:** services provided to individuals unable to care for themselves; furnished on a short-term basis because of the absence or need for relief of those persons normally providing the care. Respite may be provided to relieve informal caregivers from the daily stresses and demands of caring for a client in efforts to strengthen or support the informal support system. In addition to the Waiver Services described herein, respite services may be provided in an Adult Foster Care, Hospital, Rest Home, Skilled Nursing Facility, Assisted Living Residence, or an Adult Day Health.

**Skilled Nursing Services:** services provided to elders that have chronic, complex health conditions that require ongoing services in addition to the intermittent, short-term skilled nursing services under the state plan. Services are provided by an RN, LPN, or a nursing student under

the supervision of an RN, including, but not limited to: evaluating the nursing care needs; developing and implementing a nursing care plan; providing services that require specialized skills; observing signs and symptoms; reporting to the physician; initiating nursing procedures; giving treatments and medications ordered by the physician; teaching the patient and family; and supervising other personnel.

**Supportive Home Care Aide (SHCA):** services include assistance with: bathing, dressing, shampoo/hair combing, foot care (excluding nail cutting), denture care, shaving, bedpan routines, eating, ambulating and transfers. It includes assistance with: shopping, menu planning, meal preparation, laundry, and light housekeeping including but not limited to vacuuming, dusting, dry mopping, dish washing, cleaning the kitchen and bathroom, and changing beds. SHCA services provide emotional support, socialization and escorts to clients with emotional and/or behavioral problems.

**Supportive Day Programs:** support services in a group setting to help participants recover and rehabilitate from an acute illness or injury, or to manage a chronic illness. The services include assessments and care planning, health-related services, social services, therapeutic activities, nutrition, and transportation. These services focus on the participant's strengths and abilities while maintaining their connection to the community and helping them to retain their daily skills.

**Transitional Assistance:** assists elders to return to a community setting from a nursing facility. This may include financial assistance for security deposits, essential furnishings, cooking supplies, moving expenses, and set up fees and deposits for utility services, phones, etc. Services may also be provided to correct safety or code violations, architectural barriers; or to address health and/or safety issues related to the home environment.

**Transportation:** transport clients to and from community facilities (such as senior centers, nutrition sites, councils on aging and health care facilities) to socialize, to shop, to apply for services, to receive services, and for non-medical emergencies. This service is offered in addition to medical transportation and transportation services under the State plan, and shall not replace them.